

## Item No. 18

### Transfer of shares of PNB MetLife India Ins. Co. Ltd by Elpro International Ltd and IGE (India) Private Ltd to MetLife International Holdings, LLC

#### 1. Background:

- a) PNB MetLife Ins. Co. Ltd (“PNB MetLife”) has submitted an application seeking approval of the Authority, in terms of section 6A of the Insurance Act, 1938, read with IRDAI (Transfer of Equity shares of Insurance companies) Regulations, 2015, for transfer of its 213,402,479 equity shares held by Elpro International Ltd (“Elpro”) and 77,633,357 equity shares held by IGE (India) Private Ltd (“IGE”) to MetLife International Holdings, LLC (“MetLife”).
- b) Regulation 3 of IRDAI (Transfer of Equity shares of Insurance companies) Regulations, 2015, specifies that *“No registration of transfer of shares or issue of equity capital of an insurance company which would result in change in the shareholding shall be made, where, (a) after the transfer, the total paid up holding of the transferee in the shares of the insurance company is likely to exceed five percent of its paid up capital, or (b) the nominal value of the shares intended to be transferred by any individual, firm, group, constituents of a group, or body corporate under the same management, jointly or severally exceeds one percent of the paid up equity capital of the insurance company, unless the previous approval of the Authority has been obtained for the said transfer”*.
- c) MetLife is the foreign promoter of the insurer and presently holding 32.41% of total equity shares of the insurer. Elpro and IGE are the Indian investors of the insurer and presently holding 11.42% and 3.86% respectively, of the total equity shares of the insurer. IGE is transferring its entire stake to MetLife and Elpro is transferring 92.87%, out of its stake of 11.42%, to MetLife.
- d) Total number of shares proposed to be transferred by Elpro and IGE put together is 291,035,836, representing 14.46% of the total equity shares of the insurer, at

Rs.62 per share. Approximate value of the proposed share transfer transaction would be Rs.1804.42 crore.

- e) Prior approval of the Authority is sought in respect of the proposed transfer of shares, in terms of the Insurance Act, 1938, read with IRDAI Regulations on transfer of shares.

## **2. Comments and Observations:**

- a) Post transfer, promoters' holding in PNB MetLife would be 76.87% (MetLife – 46.87% and Punjab National Bank – 30%) and total foreign investment in PNB MetLife would be 48.92% (rounded off) (MetLife – 46.87% and Oman India Joint Investment Fund II – 2.04%).
- b) Present and Post transfer shareholding pattern of PNB MetLife:

<b>Shareholder name</b>	<b>Current Shareholding</b>		<b>Post Transfer shareholding</b>	
	<b>Number of shares</b>	<b>Share-holding%</b>	<b>Number of shares</b>	<b>Share-holding%</b>
MetLife International Holdings, LLC	652,466,351	32.41%	943,502,187	46.87%
Punjab National Bank	603,865,285	30.00%	603,865,285	30.00%
M. Pallonji & Company Private Limited	200,835,377	9.98%	200,835,377	9.98%
M. Pallonji Enterprises Private Limited	144,404,821	7.17%	144,404,821	7.17%
Elpro International Limited	229,789,903	11.42%	16,387,424	0.81%
IGE (India) Private Limited	77,633,357	3.86%	0	0.00%
The Jammu & Kashmir Bank Limited	61,078,078	3.03%	61,078,078	3.03%
Manimaya Holdings Private Limited	1,700,000	0.08%	1,700,000	0.08%
Oman India Joint Investment Fund II	41,111,111	2.04%	41,111,111	2.04%
<b>Total</b>	<b>2,012,884,283</b>	<b>100.00%</b>	<b>2,012,884,283</b>	<b>100.00%</b>

- c) No concerns are raised by the Director of Company Regulation, State of Delaware (the home country regulator of MetLife), with regard to MetLife International Holdings, LLC increasing its stake to 46.87% in PNB MetLife.

- d) Acknowledgement of Notice filed with the Competition Commission of India (CCI) under Green Channel Route has been submitted by the insurer.
- e) The insurer has submitted the required documents/clarifications in connection with the approval sought from the Authority, in respect of the proposed transfer of shares of the company (PNB MetLife) by Elpro and IGE to MetLife.
- f) The Life and Legal departments have raised no concerns on the transaction.

**3. Approval sought from the Authority:**

This agenda item is placed before the Authority for consideration and grant of approval for transfer of PNB MetLife's 213,402,479 equity shares held by Elpro and 77,633,357 equity shares held by IGE to MetLife, in terms of section 6A of the Insurance Act, 1938, read with IRDAI (Transfer of Equity shares of Insurance companies) Regulations, 2015.

Placed before the Authority for consideration.